Section 26.0: ENHANCED VOUCHER ASSISTANCE

All provisions of the Housing Choice Voucher Program apply to Enhanced Voucher Assistance, except as indicated below.

Enhanced Vouchers (EVs) are used to preserve housing units that might otherwise be lost due to housing conversion actions such as mortgage prepayments, project-based opt-outs or other HUD initiated actions. Enhanced voucher assistance, also known as “sticky” or conversion vouchers, applies only if the voucher holder stays in the conversion project. If the family moves outside of the development at any time after receiving enhanced voucher assistance, the voucher reverts to a regular voucher and those program rules and payment standards apply.

26.01 Eligibility

As stated above, enhanced vouchers assist families living in projects for which the owner has engaged in a HUD initiated housing conversion action. In those cases, HUD provides EVs to income eligible families occupying eligible units on the conversion date to preserve the affordability of those existing residential units. The number of eligible units, as determined by HUD, is based on the number of units being assisted under the former multi-family housing program. That is, the number of units converted to enhanced voucher assistance is based only on the number of units directly impacted by the housing conversion, which may or may not be the total number of units within the project.

To obtain an EV, an eligible family must be residing in the project on the date of the conversion. The conversion date is identified as either the contract expiration date or effective date of the mortgage prepayment or voluntary termination of the mortgage insurance. The family must also be established as eligible for the housing choice voucher program in accordance with a modified income eligibility determination set forth in HUD Notice 2001-41:
For conversions due to federal mortgage prepayment, refinancing or insurance termination, a family’s gross income must not exceed 95% of area median income (AMI).
For conversions due to owner opts-out (owner’s electing not to renew an expiring project-based assistance contract), a family’s gross income must not exceed 80% of area median income (AMI).

26.02 HAP/Tenant Share – Minimum Rent

Families assisted with enhanced voucher assistance remaining in the project are required to have a special statutory minimum rent requirement. For those families previously unassisted, the enhanced voucher minimum rent is whatever payment the family was making towards the gross rent on the conversion date. For those families previously assisted with PBV’s or TBVs the enhanced voucher minimum rent is the higher of TTP *or* the payment the family was making on the conversion date. This rent is identified as the *original* enhanced voucher minimum rent as referenced later in this section.

Minimum rent as described above, must be determined even if the amount exceeds 40% of the family's monthly income.

The method for calculating the minimum rent changes if the family's income significantly decreases (15% or more) from what their gross income was on the effective date of the eligibility event or conversion. Once this occurs the enhanced voucher minimum rent is no longer established as the dollar amount as listed above, but instead becomes the greater of: a) the percentage of adjusted monthly income the family was paying for gross rent at the time of the eligibility event, or b) 30% of their current adjusted monthly income. After the enhanced voucher minimum rent for the family is changed from the dollar amount to the percentage of income calculation, the enhanced voucher minimum rent will remain that specific percentage of adjusted monthly income so long as the family receives enhanced voucher assistance.

If, however, the family's income subsequently increases to an amount where the dollar value of the family's enhanced voucher minimum rent, now calculated by the established percentage, is **more** than the original enhanced voucher minimum rent, the family's enhanced voucher minimum rent **reverts to the *original* enhanced voucher minimum rent**. The original enhanced voucher minimum rent is the maximum enhanced voucher minimum rent that will be applied to the family.

26.03 Payment Standard

The EV payment standard must equal the gross rent, even if the gross rent exceeds the normally applicable payment standard so long as the LA determines the requested rent is reasonable. If the owner raises the rent for a family assisted with an enhanced voucher in accordance with all applicable laws and program regulations, the LA must increase the enhanced payment standard to equal the new gross rent (contract rent + utility allowance) for the unit, provided the rent is again determined reasonable. The rent, however, may not exceed currently published HCV program rent limits.

For clarification purposes, and per HUD directive, HCR's subsidy standard guidelines must be followed for EVs when determining voucher size as found in Section 10 of this Administrative Plan.

26.04 Income-Targeting Requirement

Families admitted to the tenant-based voucher program as a result of a housing conversion action are not subject to the income targeting requirements of the tenant-based program, and their admission is not counted in determining whether the PHA is complying with the income targeting requirement.

26.05 Zero Housing Assistance Payments at Initial Conversion

In cases where a family is eligible for Enhanced Voucher Assistance or Project Based Voucher assistance (under RAD) at initial conversion but there is no initial Housing Assistance Payment (HAP), and the family continues to reside in the project/development, the following guidelines must be complied with:
If it is determined that a family is income eligible for an Enhanced Voucher but there is no HAP payment because the family's total tenant payment (TTP) is equal to or greater than the gross rent, the LA **must** inform the family that if there is a decrease in income or an increase in rent **within five (5) years** of the initial eligibility determination, the family may inform the LA of the change. ***It is the family's responsibility to notify the LA of the change.***

In addition, the LA must maintain a record of the family's initial income determination.